

## Earnings up 24 percent

Company net income for the quarter ended June 30, 1990 rose to \$104 million, a 24 percent increase over net income of \$84 million for the second quarter of 1989.

Earnings per share rose to \$1.18, compared with earnings per share of \$.98 in the corresponding period a year ago adjusted for the two-for-one stock split effective June 29.

Sales for this past quarter were \$862 million, a 19 percent increase over sales of \$722 million in second quarter 1989.

Net income for the first six months of 1990 was \$196 million or \$2.23 per share on a fully diluted basis, compared with \$167 million, or \$1.94 per share on a fully diluted basis and adjusted for the two-for-one stock split.

Sales for the six-month period were \$1.7 billion, compared with \$1.4 billion during the corresponding period last year.

"Compaq delivered good, solid second-quarter performance, although sales were limited by product shortages," said Rod Canion, Compaq CEO. "Our international sales grew 42 percent; North American sales grew 2 percent."

Net income for the quarter and six months ended June 30, 1990 includes a nonrecurring, pretax gain of \$7.5 billion

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## SUMMIT



*The company made behind-the-scenes contributions to the 1990 Economic Summit of Industrialized Nations. For information, see page 2.*

Photo by Sam Pierson

## COMPAQ SYSTEMPRO family extended

The highly anticipated 33-MHz 486-based models of the COMPAQ SYSTEMPRO were introduced in July. Based on the Intel 486 microprocessor, the new models incorporate a new 512-Kbyte ServerCache design for high performance in advanced connectivity applications.



These additions to the existing COMPAQ SYSTEMPRO family meet a broad range of network server and multi-user requirements — from 15-user resource-sharing networks to complex departmental database applications. In testing of a 60-user network under Novell NetWare 386, the COMPAQ SYSTEMPRO

delivered up to three times greater network throughput than the IBM PS/2 Model 80-A31.

The company also introduced the 486/33 System Processor Board option which allows users to bring the power of 486 multiprocessing to any COMPAQ SYSTEMPRO model. A 486/33 System Processor Board upgrade kit is also available for owners of 386-based COMPAQ SYSTEMPRO models who wish to exchange their 386/33 system processor for a 486/33 system processor.

Shipments of the new models and the new system processor board began in July to Authorized Dealers worldwide.

"The high-performance COMPAQ SYSTEMPRO family — from single 386-based models to dual 486 configurations — now delivers a range of processing performance from 8 to 40 MIPS (million instructions per second)," says Mike Swavely, President, North America, Compaq. "This allows customers to select the configuration that best meets their

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## Compaq announces high performance desktop PCs

Continuing to reach new levels of performance, Compaq recently announced two of the most powerful desktop personal computers available — the COMPAQ DESKPRO 486/33L and the COMPAQ DESKPRO 386/33L.

The COMPAQ DESKPRO 486/33L, the world's most powerful desktop PC, delivers breakthrough processing performance for compute-intensive applications. Designed around the latest generation Intel 33-MHz 486 microprocessor, this new PC is the optimal choice for the most demanding individual applications, such as design automation, scientific analysis and software development, and resource sharing workgroup environments.

The COMPAQ DESKPRO 386/33L features the Intel 33-MHz 386 microprocessor. Designed for users of sophisticated individual and workgroup applications, it combines advanced processor, mass storage, display and I/O technologies into

the highest performance 386-based desktop PC available.

In performance testing of both machines, the 33-MHz 486 and 386 microprocessors increased performance 32 percent over their 25-MHz counterparts. Both PCs incorporate the Extended Industry Standard Architecture (EISA) expansion bus, delivering exceptional I/O performance with high performance 32-bit EISA expansion boards while supporting the thousands of existing 8-bit and 16-bit industry standard architecture boards.

"COMPAQ is the established market leader in such sophisticated application markets as computer-aided design and engineering (CAD/CAE) and local area network servers," said Mike Swavely, President, North America, Compaq. "Today, with the introduction of the COMPAQ DESKPRO 486/33L and the COMPAQ DESKPRO 386/33L, Compaq delivers the next generation of desktop

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# Company contributes to world conference

For more than three days in July the eyes of the world were focused on Houston and the 1990 Economic Summit of Industrialized Nations. Compaq, along with other Houston corporations and organizations, worked hand in hand to ensure the hometown they share with U.S. President George Bush sparkled.

The heads of government, government officials, advisers and support staffs of the United States, Great Britain, Canada, France, West Germany, Japan, Italy and the European Commission met

in Houston to exchange views on various world issues and to develop common strategies. Along with the world leaders and their entourages came thousands of members of the media from all over the world.

To help with the massive job of coordinating all aspects of the 1990 Summit, Compaq loaned computers to Summit organizers. The company loaned 12 COMPAQ DESKPRO 386s PCs and a COMPAQ DESKPRO 386/33 to the Houston Economic Summit Host Com-

mittee — co-chaired by Kenneth Lay, CEO of Enron Corp. and member of the Compaq Board of Directors.

Compaq also loaned 12 COMPAQ DESKPRO 386s PCs to the U.S. government Summit committee, along with six COMPAQ SLT/286 portable PCs. Southwestern Bell telephone company was loaned four COMPAQ computers for press communications.

These computers were used to coordinate transportation, housing, events, traffic control and various other Summit

activity. Their estimated retail value was approximately \$200,000.

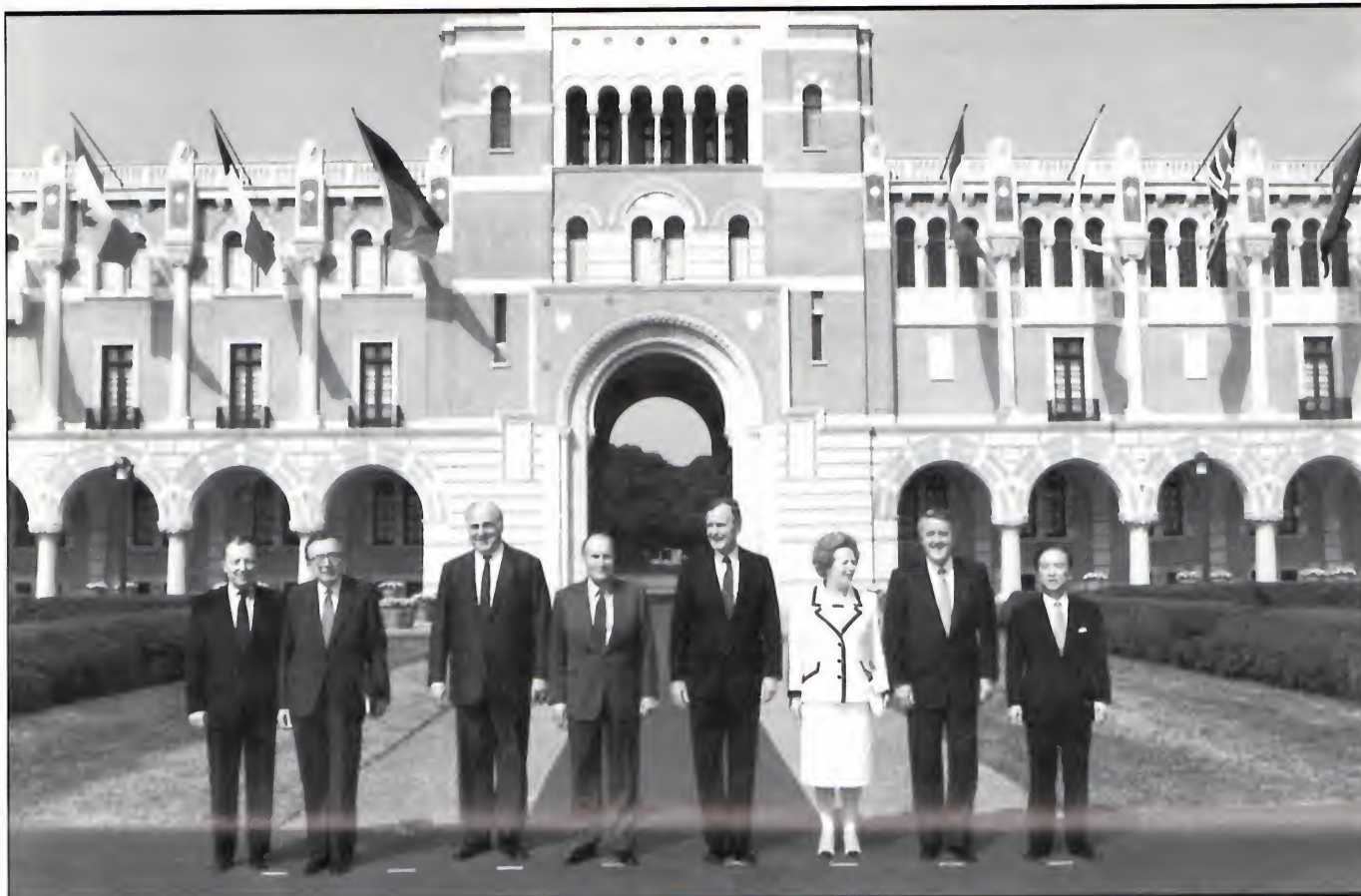
Rod Canion, Compaq CEO, also played a role in the Summit. Along with Houston Mayor Kathy Whitmire and leaders in the medical and scientific research fields, Canion spoke to a general assembly of international press. Canion predicted the worldwide demand for high technology products will fuel continued growth in international markets. These business opportunities, coupled with the removal of barriers between East and West, will help improve the stability of world economies, he said.

"The removal of barriers between East and West presents a tremendous opportunity to improve the economic health and stability of the world," Canion said. "In terms of population, Eastern Europe and the Soviet Union together represent an even bigger opportunity than Western Europe." He added that he expects international market growth to continue as business opportunities expand through Eastern Europe.

He also pointed out that Compaq shipped more than 160,000 computers by air freight from Houston to global markets last year. In tonnage, COMPAQ computers made up more than 10 percent of Houston's total air export business. And, he said, projections for this year far exceed last year's numbers.

Canion participated in other Summit-related activities during the week, including a private reception hosted by British Prime Minister Margaret Thatcher and a reception for President and Mrs. Bush.

Although the company's contributions to the Summit were largely behind the scenes, Compaq nonetheless made a real contribution to this important world conference.



Pictured from left, are: Jacques Delors, European Commission President; Giulio Andreotti, Prime Minister of Italy; Helmut Kohl, Chancellor of West Germany; Francois Mitterrand, President of France; George Bush, President of the U.S.; Margaret Thatcher, Prime Minister of Great Britain; Brian Mulroney, Prime Minister of Canada; and Toshiki Kaifu, Prime Minister of Japan.

Photo by Susan Biddle, The White House

## Process Certification Program implemented in CCM3

Much of the attention of Compaq Total Quality Commitment teams has been focused on the end-result of manufacturing — the product. Employees inspect each product for defects, then backtrack for correction.

To evaluate the manufacturing process, a Process Certification Core Team was formed in Sept. 1989, in CCM3. Its mission: to develop a system that ensures product quality and enhances customers' perception of quality.

The Process Certification program that developed allows a review of each step of the manufacturing process, through a system of customer surveys, documentation, quality audits and training designed to minimize the need for external quality control audits. Although the program started in CCM3, it will be introduced throughout the Printed Circuit Assembly shops.

Like TQC, the Process Certification program promotes teamwork, educates employees about manufacturing processes and spurs them to take responsibility for problem-solving.

"The program also recognizes the ability of line teams to assume responsibility for the quality of their work by emphasizing a "do-it-right-the-first-time" approach," says Lorraine Lawrence, Quality Control Supervisor and Team Leader. Other team members include

Larry Rodgers, Cel Gregorich, Roger Koepp, John Hayes, Reace Harrison, Mike Waugh, Mike Vincitore, Jerry Larson and Ruthie Propes.

### Certification

To be certified, a team must meet the following six prioritized categories:

- **Customer Perception Index (CPI).** Each quarter, the team's customers fill out customer surveys, rating performance in such areas as quality, responsiveness, packaging, delivery/scheduling and customer service. The CCM3 Board Shop's immediate customers in CCM1 & 2, CCM6, Repair Shop, Options, and Scotland Manufacturing Operations rate these areas on a scale of 0 (poor) to 100 percent (excellent). Customer survey questionnaires are constantly being revised to incorporate more specific information.
- **Documentation.** All documents must be up-to-date, accurate and in use by employees. Current documentation is crucial, as it gives everyone on the line team a single point of reference.
- **Training.** All team members receive training relevant to the requirements of their jobs, and everyone associated with the team must go through pre-certification training. Training committees meet every Friday to discuss issues, exchange ideas, give progress

reports, and update the program to meet changing needs.

- **Outgoing Quality Level.** Line auditors monitor all products to ensure they meet or exceed the acceptable visual and functional quality levels defined for the team's certification rank.

### Level One Certification:

Functional Yield — 99.5 percent  
Visual Yield — 99-100 percent

### Level Two Certification:

Functional Yield — 99.5 percent  
Visual Yield — 97-98.9 percent

### Level Three Certification:

Functional Yield — 99.5 percent  
Visual Yield — 95-96.9 percent

- **Statistical Process Control (SPC).** SPC control charts for critical processes must be maintained and utilized.

- **Process Capability.** The manufacturing process must yield products within specifications at levels assigned by the team.

### Certification levels

Line certification is based on three phases of process implementation rated at Levels One, Two or Three. To be certified at Level Three, the line must meet the first four of the six requirements. For Level Two, the team must meet the first five of the six requirements. And for Level One certification, the team must

meet all six Process Certification requirements. The lowest level achieved in a particular category determines the line's level — an average of the levels can't be used to certify the line.

### A certified success

Certification has been achieved by Lines 2 and 6 of CCM3. Line 2 is at Level Two and Line 6 is at Level Three. In addition, Line 6 has shown a significant lowering of the defect level since becoming involved in the program.

"The program has equipped employees with skills in a number of areas for which they had no training," says Lawrence. "They now have greater confidence in their skills."

CCM4 has begun a certification program, but no lines have yet been certified. Lines are evaluated for three months before certification and again every month after achieving certification. If, at any time, a line is decertified, team members must begin the process (training, evaluation, etc.) over again.

On Aug. 8, first and second shift members of the CCM3 Lines 2 and 6 received plaques and award certificates recognizing their certification.

Anyone interested in the Process Certification program should contact Arif Barbawala at 374-1043 or Lorraine Lawrence at 374-1044.



# Models extend COMPAQ SYSTEMPRO family

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needs today. With advanced multiprocessing and innovative drive array technologies, combined with an Extended Industry Standard Architecture bus, the COMPAQ SYSTEMPRO not only provides the performance users need today, but also the scalability to meet future needs. For example, in a processor-intensive UNIX application with increasing numbers of users, dual 486/33 system processors can provide over four times faster user response time relative to a single 386/33 system processor. This is what we call 'scalable performance.' It ensures that the COMPAQ SYSTEMPRO can serve the users' long-term computing requirements and will protect their investment as applications grow in size and complexity."

## Abundance of uses

The COMPAQ SYSTEMPRO family, including the new 486-based models, are general purpose PC platforms designed for demanding network environments which require the greatest server system performance. Typical applications include: file services such as file and database sharing, electronic mail, shared peripherals and network versions of personal productivity applications; communications services such as LAN-to-LAN bridges or gateways to minis/mainframes; application services such as shared client-server databases and groupware; or departmental services requiring combinations of these duties. Leading network operating systems such as Novell NetWare 386, Microsoft LAN Manager 2.0 and Banyan VINES 4.0 can take advantage of the high performance features of the COMPAQ SYSTEMPRO.

Depending on the applications or level of network activity generated by each node, a COMPAQ SYSTEMPRO installed as a network server or multi-user host can be configured to support from 15 to over 200 users.

Another environment where the COMPAQ SYSTEMPRO excels is as a multi-user host under UNIX. Typical applications include: business management; scientific or engineering tasks such as simulations or design analysis; on-line query or decision support systems such as databases, financial analysis programs or warehouse and manufacturing control systems; or data entry and transaction processing tasks such as order entry, reservation systems, inventory management or telemarketing. The COMPAQ SYSTEMPRO running these UNIX applica-

tions under SCO UNIX with MPX offers a compelling high-performance alternative to higher-priced minicomputers as the operating system takes full advantage of the high performance features of the COMPAQ SYSTEMPRO.

## Directions in mass storage

"The delivery of the 33-MHz 486-based models of the COMPAQ SYSTEMPRO is a tangible example of the company's commitment to deliver the highest level of performance and functionality in connected-user environments," Swavely says. "In addition, Compaq plans to extend the storage capabilities of the COMPAQ SYSTEMPRO to better meet the needs of large departmental databases and high-end applications 'downsized' from minicomputers. In the next year, Compaq will provide mass storage solutions of well over 10 gigabytes for the COMPAQ SYSTEMPRO family. Our long-term direction is to provide over 40 gigabytes of storage for the COMPAQ SYSTEMPRO family."

## Performance engineering

The COMPAQ SYSTEMPRO family has been engineered from the ground up to deliver unprecedented total system performance. It achieves these high levels of performance because of the advanced processor design, the COMPAQ Flex/MP System Architecture, the 32-bit EISA I/O (input/output) expansion bus and the fixed disk drive arrays.

The flexible processor design takes full advantage of both 486/33 and 386/33 system processors to allow users to match processing performance with application needs. A user may start with a single 386/33 System Processor Board to accommodate most file server or less processor-intensive applications.

Then, as the needs for processing power increase, the user may migrate to a 486/33 System Processor Board enhanced by the new 512-Kbyte ServerCache design. The 512-Kbyte ServerCache feature of the 486/33 System Processor Board provides over 35 percent greater cache hit rate than 128-Kbyte cache designs for large memory-intensive applications. This innovation delivers the highest level of 486 performance to departmental database applications.

Finally, computing power can be scaled up from a single 386/33 or 486/33 system processor to two 386/33 or 486/33 system processors or a combination of the two. Two 486/33 system

processor boards provide four times the computing power of a single 386/33 board. The ServerCache design ensures maximum growth in computing power when scaling from single- to multiple-486 processor configurations.

## Expandability

The multiprocessing options of the

COMPAQ SYSTEMPRO family give users the greatest computing potential of any PC system available. The drive array storage can be expanded internally to up to 1.68 gigabytes, and each additional drive array pair has its own data pathway to the 32-bit IDA controller, so performance is actually improved as additional drives are added to the array.

## Worldwide corporate identity depends on consistency

When people see a yellow, orange and red color bar or the slogan "It simply works better," they should automatically associate it with Compaq. Corporate identities are important to many global companies and consistency in printed material helps maintain those identities.

As Compaq grows larger, establishing its presence in country after country, the corporate identity becomes harder to keep distinct.

"Since the basics of our corporate identity are clearly established, it's important that everyone responsible for communicating to the outside world understands how to apply them," says Marilyn Chalmers, Graphic Arts Manager, Corporate Support in Houston.

Chalmers explains that a corporate identity is a personality, a first and lasting impression consisting of a logo, a standard typeface, selected colors and a set of design guidelines to ensure that these visual tools are applied consistently.

The most important aspect of the corporate identity — and the one most likely to be abused — is the Compaq logo. This logo consists of two elements, the Compaq name in the stylized typeface and the horizontal bar.

Chalmers stresses that one should not be used without the other. The typeface, or "corporate alphabet" designed especially for Compaq, is always the same. Both elements of the logo may be printed in black, gray or white reversed out of a dark background. Another option is the Compaq name in logo type and the whole horizontal bar in the yellow to red vignette.

"Because it is a trademark, we could lose the logo if it's not used consistently," Chalmers says. "The corporate alphabet is reserved only for trademarks such as

our company name, products and subsidiaries." She adds that words such as "Authorized Dealer" should never be printed in the corporate alphabet.

Common mistakes that should be avoided when using the corporate logo include: printing the word Compaq in any color other than gray, black or white when used with the color bar; altering or distorting the shape of the letters; printing the logo with a shadow; using the logo in text; reproducing the horizontal bar in shades of gray when printing in black and white; using computer graphics to generate the logo or trademark; using colors other than the corporate warm red and bright yellow for the color bar; attaching graphic devices to the logo; and positioning the logo at an angle.

The typeface recommended for all printed material is ITC Cheltenham Light Condensed. There are exceptions to the rule and other typefaces are sometimes appropriate.

Company colors include dark gray, light gray, bright yellow and warm red (a mixture of the last two produce the orange).

All exact specifications and explanations are given in the Compaq Corporate Identity Guide, which has been distributed to most departments.

"Contrary to the opinion that limitation results in a boring image, using stringent guidelines and limited options enables a company to focus its creative energy on the message," Chalmers says. "The corporate identity, in a sense, frees the company to transmit its messages in the most effective way possible."

All questions concerning the corporate identity should be sent to Chalmers via bmail. Her address is Marilyn Chalmers@Comm Srvc@Mkt Hou.

## Compaq Asia's new home

There are the familiar Compaq barrel-vaults and archways and the customary yellow, orange and red color bar. But this building is not part of the expansion programs in Houston or Scotland. This facility is the new custom-built home for Compaq Asia Pte Ltd. and Compaq Computer Asia Pte Ltd. in Yishun Industrial Park in Singapore.

The 35,000-square-meter (almost 360,000-square-foot) building is just the first phase of the company's multi-million dollar planned investment program in Singapore. The second phase, planned to begin in the near future, is expected to double the building's existing

capacity.

The first-phase building includes nine manufacturing lines, a connectivity laboratory and an auditorium featuring state-of-the art audio visual equipment.

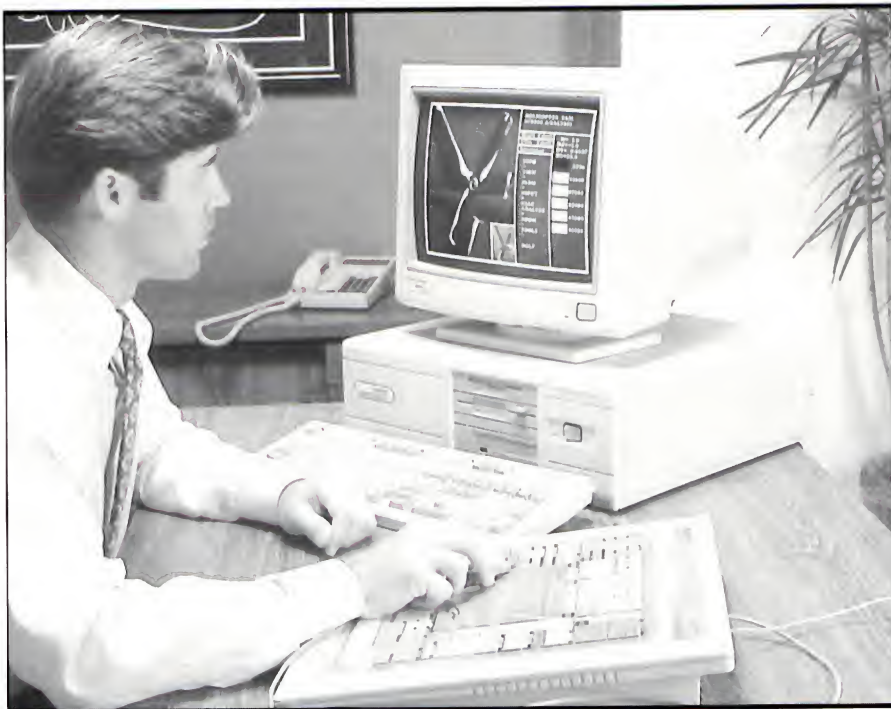
The move to larger quarters was required by the subsidiary's rapid growth. Compaq Asia, established in 1987, today employs more than 950 people and produces more than 120,000 printed circuit boards each month. Compaq Computer Asia, the sales and marketing services subsidiary, recently announced a first-quarter 1990 sales increase of about 150 percent over sales for the same period last year.



*The new Compaq building in Singapore incorporates many of the familiar design elements used in Compaq buildings in Houston and Scotland.*



# High-performance desktop PCs introduced



The COMPAQ DESKPRO 486/33L and the COMPAQ DESKPRO 386/33L were recently introduced by the company.

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PCs designed to enable users to solve more difficult problems, run more demanding and complicated programs and manage more complex tasks."

## Available models

Available in three models, each COMPAQ DESKPRO 486/33L comes with four megabytes of RAM — Model 650 with a 650-megabyte fixed disk drive; Model 320 with a 320-megabyte fixed disk drive; and Model 120 with a 120-megabyte fixed disk drive.

The COMPAQ DESKPRO 386/33L is also available in three models, each of which come with four megabytes of

RAM—Model 650 with a 650-megabyte fixed disk drive; Model 320 with a 320-megabyte fixed disk drive; and Model 120 with a 120-megabyte fixed disk drive.

## High performance

The performance of the COMPAQ DESKPRO 486/33L is enhanced by its optimized cache design. A second-level cache controller and 128 kilobytes of external cache memory works with the 486 and its eight kilobytes of internal cache memory to service up to 98 percent of all processor requests at zero wait states.

Additionally, an integrated floating point unit performs compute-intensive

math applications such as finite element analysis and financial modelling. A socket for an optional 33-MHz 4167 Weitek coprocessor is also provided for more specialized applications.

Designed for individual and work-group users with high performance requirements, the COMPAQ DESKPRO 386/33L provides exceptional processing performance for demanding computing applications. System performance of the PC is enhanced through a cache memory controller and 64 kilobytes of high-speed cache providing improved data access by allowing up to 98 percent of memory requests to be serviced at zero wait states. Separate sockets are provided for the Intel 387 and Weitek 3167 coprocessors.

The COMPAQ DESKPRO 386/33L also provides customers with an upgrade path for future growth. The new desktop design enables the user to easily replace the 386 processor board with a 486 processor board when performance needs increase.

## Many features

Both new desktop PCs have been designed for maximum expansion and configuration flexibility. The systems feature nine expansion slots, including one 32-bit system processor slot, one 32-bit high-speed system memory expansion slot and seven full sized 8-/16-/32-bit EISA expansion slots, enabling users to take advantage of high-performance 32-bit peripherals and to customize the system to meet specific application needs.

Each PC also incorporates the COMPAQ Flexible Advanced System Architecture, which uses two buses: one bus for the microprocessor and memory

subsystem, for the fastest possible data path between the CPU and memory, and an EISA expansion bus to take advantage of new 32-bit EISA products while remaining compatible with the thousands of 8-/16-bit expansion boards already available.

All models, which come standard with four megabytes of enhanced-page memory, can be expanded to 100 megabytes of RAM by using a single high-performance memory slot and without using an EISA expansion slot.

The COMPAQ DESKPRO 486/33L and COMPAQ DESKPRO 386/33L Models 650 and 320 have been designed with an optimized drive subsystem that incorporates high performance fixed disk drives and an Advanced ESDI Controller which take advantage of EISA capabilities for improved performance. Support for seven mass storage devices which enable users to choose from 13 types of options, including three diskette, seven fixed disk and three tape drives, allows extensive configuration flexibility to fit current and future needs. Up to 1.3 gigabytes of information can be stored internally. An optional Fixed Disk Expansion Unit allows up to 2.6 gigabytes of total system mass storage capacity.

Also standard is an Integrated Graphics System controller with a graphics accelerator and 132-column text support. This integrated controller combines hardware and software to speed operations such as scrolling, icon movement and pull-down menus in graphics-based environments such as Microsoft's Windows and Presentation Manager.

In addition, standard on the system board are two serial interfaces, one parallel printer interface and one pointing device (mouse) interface.

# Donated computers make program successful

The Native Skills Centre in Toronto, Ontario, Canada, recently celebrated its first anniversary — an anniversary that probably would not have been possible without the help of Compaq Canada.

The Compaq subsidiary donated 15 computers to the program when it opened in 1989 and has since seen it grow to be a success.

Of the 15 computers, 13 are used for training and two are used for administrative purposes.

This year, Compaq Canada donated eight additional computers to the organization — seven for use in the classroom and one for administrative use. The computers were installed in July.

The Native Skills Centre offers intensive computer training to Native Canadian Indians. A significant portion — 40 percent — of the students are single mothers whose only source of support is social or government assistance. Many have limited or no work experience.

The training takes 28 weeks and includes an internship with Canadian businesses and government organizations. So far, 32 students have been trained at the center. Of these, 75 percent have successfully entered the workforce with salaries ranging from \$24,000 to \$30,000 yearly.

"By enrolling in our training program, many Native people have been able to gain access to a job market that was previously out of reach," says Centre

Manager Marla Metson.

During this year, 60 students will be trained at the center, a 100 percent increase over last year, and more program expansion is planned.

"Even with this major expansion of the program, it is anticipated that over 100 applicants will have to be turned away this year," Metson says.

A new session began in July and there were 65 applicants for the 20 positions available. Response has been overwhelming.

"The Native Skills Centre project has helped me develop self-esteem and confidence. It is a great feeling when you accomplish something that you thought was beyond you," says program graduate

Debbie Cook. "Now I know I have the tools to go out and compete for jobs that were out of my reach before. I feel very lucky and proud to be one of the first graduates from the Native Skills Centre."

According to Joh Robinson, Marketing Program Administrator, Compaq Canada is evaluating how it can best help the center continue its expansion.



The Native Skills Centre in Toronto trained 32 students in computer use during its first year of operation. Pictured is the first training class.



# Compaq Switzerland under the Big Top

The Travelling Rubellas and Martin the Boy Wonder are not your usual Compaq spokespeople. But at a recent Authorized Dealer event in Switzerland, these and other members of the Circus Stey helped the company's Swiss subsidiary celebrate the company's new products as well as Compaq Switzerland's second birthday, its recent designation as "Country of the Year" and its new offices in Bassersdorf.

About 350 dealers attended the June 21 meeting. The event got off to a roaring start when Harold Stanzer, General Manager of Compaq Switzerland, rode into the tent on the official COMPAQ motorcycle — a converted Kawasaki 900cc vehicle painted in Compaq colors with the Compaq logo emblazoned on the gas tank.

Following Stanzer's entrance, Eckhard Pfeiffer, President, Europe and International, gave the keynote address. Gian Carlo Bisone, Vice President of Marketing for Europe and International, discussed Euro-marketing. Hans Gutsch, Manager of Human Resources for Europe and International, gave a presentation on employee motivation. Eric Meier, Marketing Manager for Compaq Switzerland, spoke about the company's new marketing programs.

Making their final appearance at

this event were actors representing the "pack of spies" featured in Compaq Switzerland's most recent advertising campaign which made the claim "They're after us!" Assembled Authorized Dealers were then presented with details of the new pan-European advertising campaign.

After viewing the newly announced products — the COMPAQ SLT 386s/20 and the COMPAQ DESKPRO 386s/20 — dealers toured the new offices. Refreshments were served at the loading dock and in the office kitchen.

That night, the dealers were treated to a circus show/dinner under the Big Top circus tent. During the evening, members of the Circus Stey performed. Featured performers included nine-year-old Martin the Boy Wonder on the high wire, clowns Mirabelle and Sam, Czechoslovakian animal trainers the Travelling Rubellas and their panther show, and the Flying Polanskis featuring Anton the Juggler.

The circus was back the following Saturday night, when about 300 Compaq Switzerland employees and their families attended a Compaq dinner and performance. Preceded by an Open House, the dinner concluded with the music of the Munich Gala Orchestra, which kept the entertainment going until 2 a.m.



Circus entertainers performed death-defying acts for Authorized Dealers and Compaq employees at the grand opening of Compaq Switzerland's new offices held June 21.

## Compaq to serve Grand Slam Cup tennis tournament

Native Houstonian Zina Garrison may have been overmatched at the Wimbledon tennis tournament finals this year, but another native Houstonian made quite a splash.

At the prestigious British tennis tournament, Compaq Computer Corporation announced its title sponsorship of a Grand Slam tennis event. The Compaq Grand Slam Cup, as it is now known, will bring together the world's top 16 tennis players in Munich, West Germany, Dec. 11-16.

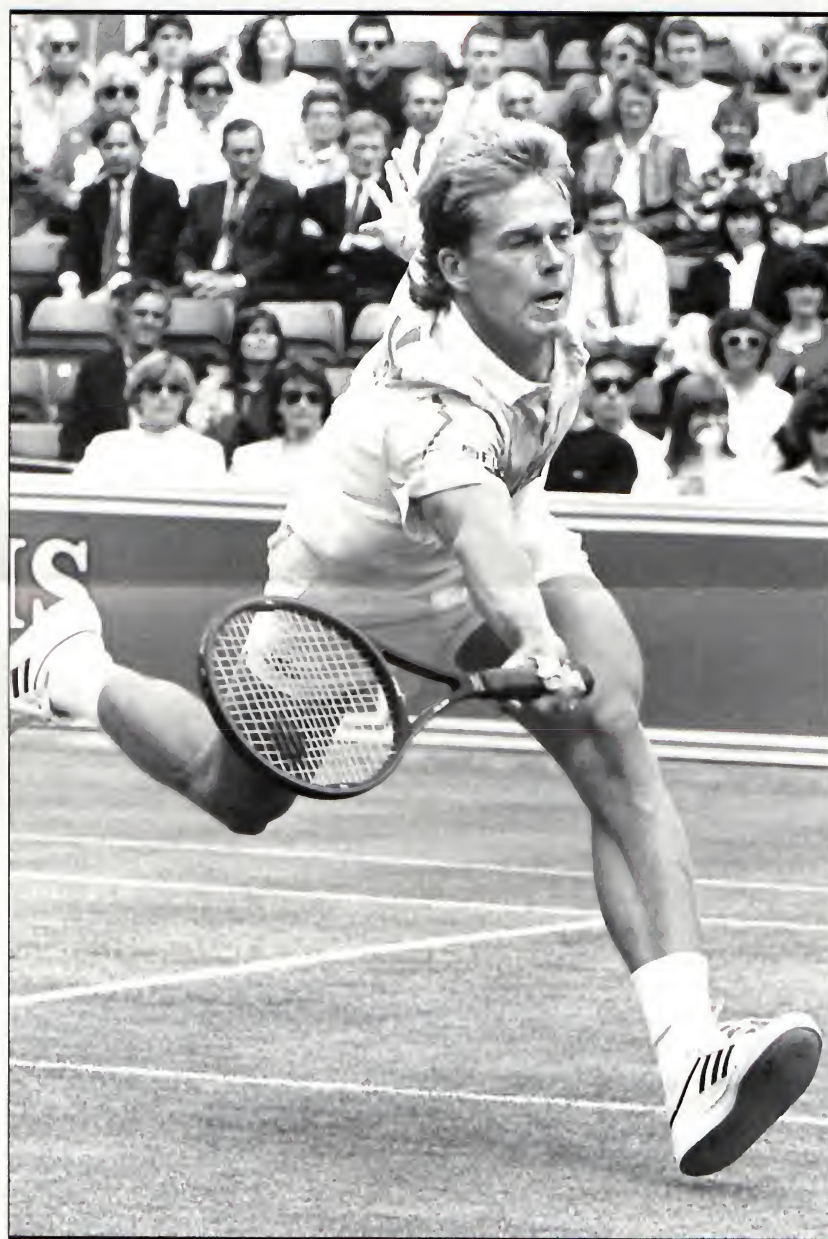
At the announcement, Eckhard Pfeiffer, President Compaq Europe and International, stated, "As a company with a rapidly increasing international presence, Compaq is delighted to bring

to the winner and \$1 million to the runner-up.

As part of its sponsorship of this Grand Slam event, Compaq will be invited to participate in all the major tournaments leading up to the December tournament, including Wimbledon, the Australian Open, the French Open and the U.S. Open.

Worldwide interest in the Grand Slam Cup is significant, particularly for a first-year event. The Wimbledon announcement was attended by 100 members of the international press and received good coverage in the U.K., Germany and throughout Europe and the world.

The final rankings of the players to



With his Wimbledon victory, Stefan Edberg also picked up an invitation to compete at the Compaq Grand Slam Cup Tournament in Munich this December.

the very best of the world's tennis players to a global audience."

Pfeiffer added, "In order to continue our tremendous growth record, one of our strategic goals is to increase awareness of Compaq and its products among a broad audience. Sports sponsorship, and in particular tennis sponsorship, enables us to realize this goal in a very exciting way."

Players participating in the Compaq Grand Slam Cup will be invited based on their performances in the world's premier tennis events: the Australian Open, the French Open, Wimbledon and the U.S. Open. They will compete at the Olympia Halle in Munich for \$6 million (U.S.) in prize money — \$2 million

be invited to Munich will be announced at the end of the U.S. Open. Currently, Wimbledon champion Stefan Edberg leads the points table for the Compaq Grand Slam Cup. Australian Open champion Ivan Lendl is in second place with French Open champion Andres Gomez and Boris Becker in third and fourth positions respectively.

Approximately 150 countries on six continents are planning to televise the Compaq Grand Slam Cup, which could translate into an audience of as many as 300 million homes worldwide. The event will focus worldwide attention on Compaq and Munich, home of the company's European and International headquarters and host city of the Compaq Grand Slam Cup.



## HOUSTON PROUD



*Compaq was the main corporate underwriter for the Houston Proud Party '90 fund-raising event held at one of the city's sports arenas, the Summit, in June. The company was one of 200 corporations and restaurants displaying products in booths during the event. Warren Moon, Oiler (Houston's professional football team) quarterback, was the celebrity guest at the Compaq booth, pictured below. Compaq donated a COMPAQ LTE/286 Model 40 to be the main prize during the fund-raising auction. Above, Compaq CEO Rod Canion and Harris County Judge Jon Lindsay watch as Houston Mayor Kathy Whitmire cuts the Houston Proud cake.*



## An invitation to theft

Would you leave your car running and the door unlocked in a public parking lot?

Of course not. But, according to members of Comseq, the Compaq security organization, neglecting to "log out" of the Banyan electronic mail network after leaving an office offers the same opportunity to would-be information thieves as does an unlocked car with keys in the ignition.

According to David Cunningham of the Information Management department in Manufacturing Systems: "Leaving your computer without logging out of the network could be just as devastating to the company as dropping your check book with all your checks signed in advance at the entrance to a big department store would be to you."

Maybe no one will take advantage of the situation. But you certainly wouldn't want to take that chance — and neither does Compaq.

### Marker boards

According to Cunningham, neglecting to erase marker boards when leaving

an office or conference room is the same as posting personal financial statements on the company's bulletin boards.

Cunningham believes it's helpful to handle Compaq confidential data the same way you handle your own confidential information.

For example, he says, neglecting to secure your work area by locking your desks, cabinets and/or office when you leave is similar to leaving your house or apartment door wide open while you're away for the night. They both constitute an open invitation for theft.

Failure to protect Compaq technology and other confidential information can hurt Compaq dramatically. Customers might stop buying current computer models and wait for new ones to arrive. Competitors could gain important product advantages. Investor confidence can be affected.

By constantly reviewing the way they handle confidential information, employees can help protect the company's financial well-being, its reputation and its standing in the marketplace.

## Earnings up 24 percent

*continued from page 1*

resulting from an increase in the carrying value of the company's investment in Conner Peripherals, Inc. The gain, which on an after-tax basis increased earnings per share by \$.05, resulted from Conner's issuance of additional common stock on conversion of its outstanding debentures at prices higher than the carrying value of Conner common stock owned by Compaq.

"Due to very strong sales during first quarter 1990, particularly in Europe, we drew down our inventory of finished goods worldwide to unexpectedly low levels," Canion said. "Because of contin-

ued strong demand during the second quarter, despite significant increases in our manufacturing volumes, we were unable to fully meet our customers' demand. For example, the COMPAQ DESKPRO 386s, COMPAQ DESKPRO 386/20e and COMPAQ DESKPRO 386/33 were in an order backlog situation throughout the quarter. Although we were unable to obtain enough materials on a timely basis to meet all of the demand, we were able to make better use of the capacity of our factories and secure better pricing for many of our materials, causing an improvement in gross margin."



*The three dynamic television commercials Compaq is running in the United States are being made available to Authorized Dealers through Dec. 31. The three commercials on networking, desktops and laptops — a laptop scene is pictured above — give dealers a chance to promote their businesses with the 30-second presentations. Dealers who elect to use the commercials will put their message and logo at the finish. This opportunity is offered by the company's SALESPAQ program.*



# international FOCUS



## Forum latest Compaq Australia achievement

With its sponsorship of the first international computer industry forum held in the Asia-Pacific Region, Compaq Computer Australia recently established itself as a major competitor in its corner of the globe.

The Compaq Technology Forum, hosted last May by Compaq and 20 other leading computer companies, attracted more than 800 delegates to Sydney, Australia.

Compaq has been an impressive competitor in the region since October, 1985, when it opened its Australian subsidiary Compaq Computer Australia Pty Ltd. Rising quickly to assume a market share position among the top three industry-standard personal computer manufacturers in Australia, Compaq Computer Australia opened offices in Brisbane, Melbourne and New Zealand (Compaq Computer New Zealand) in 1988 and an office in Perth in 1989. The most recent addition, the Canberra office, opened in June.

This network of regional offices helps Compaq Computer Australia cover the Australian continent — a region

recognized the achievements of Australian executives under 35.

Despite highly competitive market conditions, Compaq Computer Australia continues to build market share, revenue and earnings. In 1988, Compaq sales in Australia increased by 101 percent over the previous record year. In 1989, the company again recorded a 50 percent growth in revenue over 1988 totals.

### Compaq Technology Forum

On May 8 and 9, representatives of more than 20 of the world's leading PC hardware, software and networking companies joined Compaq executives at the inaugural Compaq Technology Forum held in the Darling Harbour Convention and Exhibition Centre in Sydney. Presentations and discussions focused on changes ahead for the industry in the 1990s.

According to Graham Freeman, Marketing Director of Compaq Computer Australia, the objective of the event was to attract high-level corporate EDP and MIS decision-makers, as well as representatives from key dealers and the computer and business media.



Sydney's Darling Harbour Convention and Exhibition Centre was the venue for the 1990 inaugural Compaq Technology Forum.

founder of The Santa Cruz Operation, and futurist Dr. Edward de Bono, inventor of the theory of Lateral Thinking. He delivered the keynote address, "Visions of the Future."

"The high caliber of speakers and the outstanding turnout indicated the prestige of this event," explained Freeman. "The Compaq Technology Forum has helped put Australia on the international computer industry map. We are now evaluating whether the Forum should become an annual or biennial event."

The Forum offered participants the opportunity to view a first-of-its-type multi-vendor networking exhibition. The network, which was installed and demonstrated during the Forum, incorporated 55 high-performance Compaq workstations running more than 30 applications under three operating systems (DOS, OS/2 and UNIX) in Ethernet and Token Ring topologies. The network was linked by more than one kilometer (a little more than six-tenths of a mile) of fiber optic cable and used unshielded twisted pair and copper wiring, making it one of the most sophisticated networks ever installed.

### Survey results

A survey conducted among about 180 participants on the second afternoon of the Forum revealed that 95 percent of the attendees believed the Forum met their objectives and 85 percent thought it

provided good value for the money. That's high praise, considering ticket prices ranged from \$525 per person at the multiple-ticket corporate rate to \$650.

### Other responses:

- 85 percent said the Forum was "highly informative."
- 77 percent said they would recommend the Forum to colleagues and friends.
- In answer to the question "Would you attend the Compaq Technology Forum if it were held again next year?", 97 percent responded "yes" or "maybe."

### Media coverage

The Compaq Technology Forum received extensive media coverage throughout Australia. One editorial in a leading PC magazine commented: "... The Compaq Technology Forum, held in Sydney, was an event that illustrated such vision and boldness that, quite simply, if you missed it you made a mistake."

The April 6 edition of *Computerworld* commended Compaq Australia for enlisting top multinational corporations as Forum co-sponsors:

"By sharing center stage with more than two dozen other companies, and by setting an agenda that deals with the broad issues of the industry and not the narrow marketing needs of one company, Compaq has convinced us that it is providing a valuable service for computer professionals in Australia."



Representatives of the official sponsors of the Compaq Technology Forum: (standing, left to right) Patrick Courtin, President and CEO, Proteon Inc.; Rod Canion, President, Compaq; Ernst Gemassner, Vice President International Operations, Novell; Art Ehrlich, Regional Director, Novell; Larry Michels, President and CEO, SCO; Doug Ruttan, Managing Director, WordPerfect Pacific. (seated, left to right) Ian Penman, Managing Director, Compaq Computer Australia; Kim Medway, Marketing Manager, Lotus Development; Peter Neupert, Senior GM OS/2, Microsoft Corporation; and Dave Clare, Corporate Product Manager, OA Software, WordPerfect Corporation.

almost the same size as the continental United States and one and a half times the size of Europe.

### Dealer growth

Over the years, Compaq Computer Australia has established a network of more than 80 Authorized Compaq Computer Dealers to service and support Compaq customers.

To foster this network, the subsidiary sponsors a Compaq Dealer of the Year Award annually in all seven Australian states. Unlike many other computer industry awards, the Compaq Dealer of the Year Award is not simply a reward for sales volume. Customer satisfaction — determined by an independently conducted survey — provides the primary standard for judging.

From 1986 through 1988, Compaq Computer Australia cultivated its reputation in the local business community by co-sponsoring with the country's major business magazine the prestigious Young Executive of the Year Award. The award

"We wanted to tell Australian corporate decision-makers where the computer industry was heading in the 1990s, and show how Compaq is emerging as a leader in the industry," said Freeman.

Other major sponsors of the Compaq Technology Forum included Microsoft, Lotus Development, Novell, Ashton-Tate, Proteon Inc., SCO and WordPerfect Pacific. In addition, a number of other leading international computer companies participated in the Forum, including AutoDesk, Aldus (through its local distributor InfoMagic), Intel, Gupta Technologies, Oracle, FACT International and Computer Associates.

Compaq speakers at the Forum included Rod Canion, CEO; Eckhard Pfeiffer, President of Europe and International Operations; and Gary Stimac, Senior Vice President of Systems Engineering.

A number of other speakers representing the Forum's co-sponsors made the trek to Sydney to take part in the Forum. Among the 36 non-Compaq participants were Larry Michels, CEO and

Country Profile	
<b>Name</b>	Australia
<b>Size</b>	4,025 kilometers east-west (2,495.5 miles) 3,220 kilometers north-south (1,996.4 miles)
<b>Area</b>	7,686,884 square kilometers (2,967,905.91 square miles)
<b>Population</b>	16 million
<b>Language</b>	English
<b>Federal Capital</b>	Canberra, Australian Capital Territory
<b>Major Exports</b>	Minerals and agricultural products, notably wool, wheat and meat
Company Profile	
<b>Name</b>	Compaq Computer Australia Pty Ltd.
<b>Address</b>	100 Harris Street Pyrmont New South Wales 2009
<b>Year established</b>	1985
<b>Number of employees</b>	80
<b>Number of dealers</b>	Approximately 80



## Singapore family day



*A Children's Fancy Dress contest was one of the high points of Compaq Asia's Family Day celebration held June 9.*



*A Family Day celebration held on Compaq Asia's third anniversary, employees demonstrated their grasp of the "teamwork" concept in a rigorous game of tug-of-war.*

## UK dealers gather in Spain for Compaq focus

Equipped with specially provided binoculars and insights from Compaq spokesmen and industry experts, a group of 80 Authorized Dealers from the United Kingdom recently gathered in Marbella, Spain, to "Focus on the 90s."

The two-day seminar was sponsored by Compaq UK to communicate Compaq corporate direction and discuss issues affecting the personal computer industry with key representatives from major dealers in the United Kingdom.

According to Peter Manson, Director of Sales in the UK and primary orchestrator of the seminar, a remarkably high percentage of those dealers invited to the seminar attended.

"We had a fine group of speakers including a good mix of Compaq people and industry experts," he explained. "The speakers covered a wide range of topics, and attracted a great many quality British dealers to the event."

Following an update on the UK subsidiary by Joe McNally, Vice President and Managing Director of Compaq UK, Eckhard Pfeiffer, President Compaq Europe and International, reviewed the growth rate of Compaq in Europe and

Gary Stimac, Senior Vice President of Systems Engineering, spoke on the company's strategic product direction.

Keynote speaker for the seminar was The Right Honorable Denis Healey, former Chancellor of the Exchequer (Finance Minister) and well-known Labour politician. Other speakers touched on the problems of running a multinational company, industry trends, and such motivational teamwork topics as "Bringing the Best Out of Your People."

Gian Carlo Bisone, Vice President of Marketing for Compaq Europe and International, discussed international marketing trends and Meganne Houghton-Berry, Product Marketing Manager at Compaq UK, presented dealers with a product update before the seminar concluded on the second day.

"There was a great deal of interaction between the speakers and the audience — above and beyond my expectations," reported Manson.

Manson is conducting a survey of seminar participants to determine how effectively it met the company's objectives. And all early signs indicate that another such event will be held next year.

# BANG!



*In celebration of the Fourth of July Independence Day holiday, over 40,000 people attended the fireworks display held July 3 at Willowbrook Mall near the Compaq main campus in Houston. A Compaq Chorale performance was also included in the evening's entertainment. The company was the main sponsor of the event.*

## COMPAQ